Exhibit B

Bloomberg

Argentine Bonds Fall on Fernandez Plan to Offer Local-Law Swap

By Charlie Devereux, Camila Russo and Katia Porzecanski - Aug 20, 2014

Argentina's bonds sank to a two-month low after the government said it plans to pay foreign-currency notes locally to sidestep a U.S. court ruling that blocked payments and caused its second default in 13 years.

The government will submit a bill to Congress that lets overseas debt holders swap into new dollar-denominated bonds governed by domestic law, President Cristina Fernandez de Kirchner said in a nationwide address yesterday. Payments will be made into accounts at the central bank instead of through Bank of New York Mellon Corp., the current trustee.

Fernandez's move flies in the face of orders from U.S. District Judge Thomas Griesa that a swap would be illegal. He has said the nation must pay $1.5 billion to holders of debt defaulted on in 2001 or reach a settlement before resuming payments on restructured notes. JPMorgan Chase & Co. and Credit Suisse Group AG said the offer reinforces Argentina's unwillingness to negotiate with the holdout creditors on a deal that would allow it to return to overseas capital markets.

"Argentina's announcement is a cold bucket of water in the face for any restructured bondholders that were anticipating a negotiated holdout credit resolution by January 2015," Vladimir Werning, an economist at JPMorgan in New York, said in a note to clients.

The country's benchmark restructured bonds due in 2033 fell 2.58 cents to 80.16 cents on the dollar as of 11:47 a.m. in New York, the lowest level since June 19. The price is still above the 74.03-cent average of the past five years.

Worst Performers

After gains in the weeks leading up to the default on speculation a deal would be reached, the country's sovereign debt had lost 7 percent this month through yesterday, the most among more than 50 developing countries in the Bloomberg USD Emerging Market Sovereign Bond Index. (BEMS) Dollar bonds due 2024 sold under local laws fell 2.59 cents to 84.08 cents.

On June 20, Griesa said that Argentina is prohibited from paying the overseas bonds in Argentina under a local law. The transaction may be challenging to execute because any intermediaries assisting Argentina in the process could be sued for contempt of court, while investors who aren't able to hold local bonds would have to sell their holdings.

Holders of Argentina's $30 billion of overseas bonds have been in limbo since Griesa blocked the nation's attempt to pay $539 million in interest due by July 30. His ruling was intended to compel Argentina to negotiate with hedge funds led by billionaire Paul Singer's Elliott Management Corp. that refused to provide debt relief by swapping bonds from the country's 2001 default and successfully sued for full repayment.

Big Picture

Stephen Spruiell, a spokesman for New York-based Elliott, declined to comment. Aurelius Capital Management LP, another plaintiff in the case, also declined to comment.

Holders of bonds governed by New York law are unlikely to want to particulate in a swap, according to Emanuele Del Monte, who helps oversee $1.7 billion in assets as money manager at Fideuram Asset Management in Dublin.

"The swap that Argentina wants to propose does nothing to normalize the relationship between the government and investors," he said in an e-mail. "It's going to be very difficult to execute the exchange.

There's too little information about the swap to know if it's a good deal for bondholders, Gabriel Torres, an analyst at Moody's Investors Service, said in a telephone interview. John Piecuch, a spokesman at Standard & Poor's, declined to comment.

New Trustee

Argentina plans to create a separate account for the holdout creditors such as Elliott, who own 7.6 percent of debt from 2001. Payments for holdouts would be deposited under the same terms as the rest of its restructured debt, regardless of whether they decide to accept the swap. Creditors opting to keep their notes will also get payments locally under the plan, with a unit of state-owned Banco de la Nacion serving as trustee, Fernandez said yesterday.

Ron Gruendl and Ron Sommer, spokesmen for current trustee BNY Mellon, didn't return voicemails seeking comment.

Daniel Pollack, a court-appointed mediator for the talks between Argentina and the holdouts, didn't immediately return an e-mail seeking comment on the government's proposal.

U.S.-based investors may be wary of taking part in the swap over concern they will be held in contempt of court, according to Casey Reckman, an economist at Credit Suisse.

"Foreign-law exchange bonds could be dropped from the main emerging-markets bond indices if this operation is completed, a prospect that could lead some investors to sell their holdings," Reckman said in a research note today.

Nestor Kirchner

Economy Minister Axel Kicillof said today the bill's main objective is to change the payment location rather than change legislation. Bondholders will find ways to receive their money via the account in Buenos Aires, he said.

"No-one's going to have to take a plane," Kicillof told reporters. "These days even your gas and electricity bills can be paid by the Internet. We're not going to have an influx of bond tourists coming to get paid."

Fernandez first said the government was considering a local law swap in August 2013. Kicillof mentioned the possibility again after the U.S. Supreme Court rejected the country's appeal in the U.S. court case in June.

The president and her predecessor, her late husband Nestor Kirchner, persuaded about 92 percent of bondholders from the $95 billion default in 2001 to give up about 70 percent of their claims in debt swaps in 2005 and 2010. The restructuring allowed Argentina to exit a cycle of deepening indebtedness and fueled economic growth, Fernandez said yesterday.

The nation's economy is poised to shrink 1 percent this year, the first contraction since 2002, according to the median of 22 estimates in a Bloomberg survey. The country's lack of access to overseas debt markets could put pressure on the peso and eventually damp economic growth, according to Federico Rey Marino, an analyst at Raymond James.

Congressional Vote

"Although asset prices have been already adjusting down, in-hand with lower expectations for a speedy solution, we foresee further downside pressures for Argentine equity prices," he said in a note to clients.

The bill will be sent to lawmakers immediately, Fernandez said.

"When it comes to the sovereignty of our country and the conviction that we can no longer be extorted and that we can't become burdened with debt again, we are emerging as Argentines," Fernandez, who struggled to hold back tears, said in a speech at the presidential palace in Buenos Aires.

Attempts by private banks to negotiate a settlement to the decade-long debt dispute failed, Elliott and Aurelius said last week.

Credit-Default Swaps

Banks including Citigroup Inc., which discussed finding a buyer for at least a portion of the securities, couldn't agree on a price, a person briefed on the meetings said. The talks also stalled because the government wouldn't provide sufficient guarantees for a bond buyback, said the person, who asked not to be identified because the discussions were private.

The International Swaps & Derivatives Association pushed back the date for the auction to settle Argentina's credit-default swaps to after Sept. 2 from Aug. 21, according to its website. Argentina's failure to pay interest on its bonds triggered a credit event and settlement of $1 billion of the default swaps, ISDA said on Aug. 1.

Both Argentina and the holdouts have been ramping up efforts to sway public opinion with television, newspaper and online advertisements. American Task Force Argentina, a lobbying group partly funded by hedge funds such as Elliott, spent about $1 million in the past week in advertising, according to the group's co-chair, Robert Shapiro.

Media War

The spots arguing Argentine pensioners and individual bondholders are being cheated out of what they're owed have appeared in the U.S. on channels including CNBC, CNN, and Bloomberg Television, as well as websites for Politico, the New York Times and Bloomberg.

Argentina has taken out full-page ads in newspapers around the world to decry Griesa's decision.

The Argentine president has argued that obeying the ruling by paying the holdouts would trigger a Rights Upon Future Offers clause in the exchange bond contracts that obliges Argentina to match any improved offer to all bondholders. That could trigger claims of at least $120 billion, according to the proposal.

"If I signed what they're trying to make me sign, the bomb wouldn't explode now but rather there would surely be applause, marvelous headlines in the papers," Fernandez said. "But we would enter into the infernal cycle of debt which we've been subject to for so long."

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